Intermediate Care Facility for the Developmentally Disabled Continuous Nursing (ICF/DD-CN) Pilot Project

Application for Renewal

May 2003

California Department of Health Services

TABLE OF CONTENTS

INTERMEDIATE CARE FACILITY FOR THE DEVELOPMENTALLY DISABLED – CONTINUOUS NURSING PILOT PROJECT

REQUEST FOR SECTION 1915(B) WAIVER RENEWAL

I. INTRODUCTION

The California Department of Health Services (DHS) is requesting renewal of the 1915(b)(4) Medi-Cal waiver authorizing continuation of its Intermediate Care Facility for the Developmentally Disabled – Continuous Nursing (ICF/DD-CN) Pilot Project. DHS is requesting renewal of the waiver to allow further evaluation of this new health delivery option.

Chapter 845, California Statutes of 1999 (Aroner AB 359) required DHS to establish a waiver pilot program under Section 1915(b) of the Social Security Act. This statute mandated DHS to explore more flexible models of health care facility licensure to provide continuous skilled nursing care to medically fragile developmentally disabled individuals in the least restrictive setting.

DHS obtained approval from the Centers for Medicare and Medicaid Services (CMS) for a 1915(b)(4) waiver in August 2001 in order to establish the ICF/DD-CN Pilot Project. This Pilot Project utilizes the federal Intermediate Care Facility/Mentally Retarded (ICF/MR) model for providing care for those developmentally disabled Medi-Cal eligible consumers who are too medically fragile for care in California's other two subtypes of ICF/MR facilities, Intermediate Care Facility for the Developmentally Disabled-Habilitative (ICF/DD-H) and ICF/DD-Nursing (ICF/DD-N) and therefore would otherwise require care in a subacute facility.

A Pilot Project Committee (PPC) was formed in December 2000 with the responsibility for gathering information and providing a forum for adequate discussion to assure appropriate decisions in setting up the ICF/DD-CN model. The PPC is made up of staff from the following DHS areas: Medi-Cal Policy Division (MCPD), Medi-Cal Operations Division (MCOD), and the Licensing and Certification Program (L&C). Additionally a major participant in the PPC is the California Department of Developmental Services (DDS) who provides consultation directly, as well as indirectly from the state's regional centers. Other entities serving consulting roles are the DHS Office of Legal Services, DHS Medi-Cal Managed Care Division, DHS Payments Systems Division, DHS Audits and Investigation Division, and outside agencies.

Meetings with stakeholders began in December 2000 with participation from various community groups both profit and nonprofit, as well as other state agencies. These meetings explained the proposed program and solicited input.

Attendees, in addition to those representing state agencies included representatives from: California Association of Health Facilities, State Council on Developmental Disabilities, Association of Regional Center Agencies, Protection and Advocacy Inc., and Ramey and Macomber and Associates LLC.

Statewide marketing efforts geared to community groups, prospective providers, California developmental centers and regional centers began immediately after the waiver approval in August 2001. A two-sided tri-fold brochure designed to inform consumers and their representatives of the ICF/DD-CN Pilot Project was developed and sent to consumer advocate groups. Other brochures were similarly designed but geared toward regional centers, potential providers or physicians. (See Exhibits B_1 and B_2). Starting on September 19, 2001, education and training sessions were begun in the regional centers to help various entities in the identification of potential consumers who would benefit from participation in this new type of facility.

All prospective provider applications were received by November 23, 2001. (See Provider Application and Contract, Exhibit C). The PPC and staff from DDS began an extensive review and ranking of the facilities. (See Ranking Criteria, Exhibit D). On December 28, 2001, ten candidate providers were selected and on April 3, 2002, the Pilot began enrolling beneficiaries.

Over the next six months four providers either voluntarily withdrew from participation in the Pilot Project or were terminated by the PPC. Currently the Pilot has six facilities.

Additional time is needed to adequately evaluate whether this new model of care would in fact be a cost-effective and viable alternative for caring for these individuals. All indications are that the care is superior (see Independent Assessment [Exhibit A] and Results of Quality Monitoring Section IV.G.); potentially keeping these individuals out of expensive emergency rooms, acute care facilities and large institutional settings. More time is needed to fully evaluate the model and therefore California is requesting renewal of the 1915(b) authorizing waiver.

II. GENERAL DESCRIPTION OF THE WAIVER

A. The State of California requests renewal of the waiver granted in August 2001 under the authority of section 1915(b)(4) of the Social Security Act for the continuation of its ICF/DD-CN Pilot Project. The program will continue to be administered by DHS, the Medicaid single state agency.

B. Effective Dates: This waiver renewal is requested for a period of two years, August 17, 2003 through August 16, 2005.

C. The waiver program is called: Intermediate Care Facility for the Developmentally Disabled-Continuous Nursing (ICF/DD-CN) Pilot Project.

D. Geographical areas of the waiver program: No specific geographical areas were/are required for participation. Pilot facilities are currently located in the San Francisco bay area, the Los Angeles area, the central valley area and the southern desert area.

E. The State contact person for this waiver is the chief of the Freedom of Choice Waiver Unit at the Department of Health Services, who can be reached at (916) 657-0578.

F. Statutory authority: The State's waiver program is authorized under Section 1915(b)(4) of the Social Security Act, which states that providers of waiver services must meet, accept, and comply with the reimbursement, quality, and utilization standards under the State Plan. Such standards shall be consistent with the requirements of Section 1923 of the Social Security Act, and be consistent with access, quality, and efficient and economic provisions of State Plan covered care and services.

   Other statutory authority the State is relying on: California Welfare and Institutions (W & I) Codes §14110.55, §14133.12, and §14495.10.

G. Sections waived: Relying on the authority of the above, the State requests renewal of a waiver of the following sections of 1902 of the Social Security Act:

   1. Section 1902(a)(1) – Statewideness. This section of the Social Security Act requires a Medicaid State Plan service to be available in all political subdivisions of the State.

      Because this waiver is a pilot program, services of an ICF/DD-CN are not available in all parts of the State.

   2. Section 1902(a)(10)(B) – Comparability of Services. This section of the Social Security Act requires all services for categorically needy individuals to be equal in amount, duration, and scope.

      This waiver program will be implemented in a maximum of ten community facilities. Therefore, services provided under this waiver are not available to all categorically needy individuals within the State.

   3. Section 1902(a)(23) – Freedom of Choice. This section of the Social Security Act requires the Medicaid State Plan to permit all

individuals eligible for Medicaid to obtain medical assistance from any qualified provider in the State.

Under this waiver program, free choice of providers is limited to the specific health facilities that are selected to participate in the pilot program.

H. Recipient Figures: Total recipients will not exceed 60 during the waiver period.

I. Waiver Populations - All consumers participating in the ICF/DD-CN Pilot shall meet all of the criteria specified in Section III.A.

J. Excluded Populations – Consumers not meeting the qualifications specified in Section III.A. are excluded from the Pilot.

K. Independent Assessment: The ICF/DD-CN Pilot Project was independently evaluated during the original waiver period, in April 2003, as required (see Exhibit A for the complete Independent Assessment for waiver period 2001/2003). The State will arrange for another Independent Assessment during the waiver renewal period and submit the results at least 90 days prior to the renewed waiver expiration date.

L. Automated Data Processing: The State will comply with the federal automated data processing requirements as described in 42 Code of Federal Regulations (CFR) Part 433, Subpart C, 45 CFR Part 95, Subpart F, and Part 11 of the State Medicaid Manual.

III. PROGRAM IMPACT

A. Affected Recipients - Consumer referrals are primarily from the regional centers. (See “Role of the Regional Centers” Section IV.C.). The target population includes individuals residing in developmental centers, subacute, and acute care facilities. Consumers cared for in an ICF/DD-N or skilled nursing facility may be considered for this Pilot, provided their level of care is documented to meet the criteria established to participate in the Pilot and they preserve cost neutrality as described below. Consumers participating in the ICF/DD-CN Pilot shall meet all of the following criteria:

1. Medi-Cal program eligibility. Consumers enrolled in managed care health plans are not eligible to participate in the Pilot Project.

2. Certified by the regional center as developmentally disabled as defined by W & I Code §4512 and eligible for special treatment programs.

3. Enrolled in the regional center.

4. Medical necessity for continuous skilled nursing care and observation as specified in Section III.C.

5. Be free of clinically active communicable disease reportable under Title 17, California Code of Regulations (CCR) §2500.

6. Have an Acknowledgment of Participation Document completed and on file. This form will be completed by the consumer or conservator/legal guardian. (See Exhibit E)

7. Enrollment must not negatively impact the cost effectiveness of the waiver as defined by the following: The total costs of the waiver, including program benefits and administrative costs, must not be greater than the cost of providing like services without the waiver.

B. Consumer Placement

1. As vacancies occur within the ICF/DD-CN facility, the provider shall contact the regional center in their geographical area for potential candidates meeting the eligibility criteria for admissions.

2. The regional center and the referring entity, e.g. developmental center, subacute center, etc, along with the ICF/DD-CN provider, will work together to identify the appropriate consumers for placement in the ICF/DD-CN facility.

3. Consumer placements in the ICF/DD-CN facility shall not be used for the purpose of respite.

4. Consumers placed in an ICF/DD-CN facility become the responsibility of the provider and must be admitted in accordance with the provider's written policies and procedures.

5. The ICF/DD-CN provider will notify MCOD before a new consumer has been admitted and when a consumer is discharged.

6. The provider shall submit a Treatment Authorization Request (TAR) for all consumer services provided under the ICF/DD-CN Pilot from the date of admission.

7. There must be a bed available in one of the ICF/DD-CN Pilot facilities.

8. Consideration of the effect on cost neutrality of the Pilot (as described in Section III.A.7.) must be considered.

9. Waiver services will be terminated at the conclusion of the Pilot Project. At that point in time, the PPC will ensure that all consumers placed in an ICF/DD-CN will be provided the choice of alternate placement or services funded by the Medi-Cal program that meet Medi-Cal requirements and that are appropriate to the consumer's level of care, medical, and other needs. DHS will coordinate with DDS, regional centers, consumers and/or their representatives to determine appropriate placement services at the conclusion of the Pilot. All provider and consumer rights under the State Plan, consistent with all applicable state and federal laws and regulations, will be followed.

C. Services - The ICF/DD-CN level of care is intended to reimburse for continuous skilled nursing services, which are not available in either ICF/DD-N or ICF/DD-H facilities. This Pilot Project is studying the feasibility of providing ICF/DD-CN services in small community-based residential settings based on the ICF/DD-N and ICF/DD-H models. Because of the presence of 24-hour skilled nursing, the ICF/DD-CN facility is able to provide medical and nursing care and support, either predictable or unpredictable, to those consumers who would otherwise be placed in a large institutional setting.

1. Medical Services - The following defines the minimum clinical criteria necessary for authorizing ICF/DD-CN services:

    a. Consumer's condition has stabilized to the point that acute care is not medically necessary; ***and***
    b. Consumer's condition warrants twenty-four hour nursing care by a licensed nurse which would be inclusive of nursing assessment, interventions with documented outcomes; ***and***
    c. Any one of the following items:
        i. A tracheotomy with dependence on mechanical ventilator;
        ii. Dependence on a tracheotomy that requires nursing intervention such as medication administration, suctioning, cleaning inner cannula, changing tracheotomy ties or tube care;
        iii. Continuous or daily intravenous administration of therapeutic agents, hydration, or total parenteral nutrition via peripheral or central line;
        iv. Peritoneal or hemodialysis;

v. Decubitus ulcer care stage three and above or skin care that requires frequent nursing observation and intervention with substantiating documentation;
vi. Chronic instability of medical condition occurring daily or more often and requiring skilled nursing assessment and subsequent nursing intervention, ***or***

d. Administration of two treatment procedures listed below:
i. Nasal or oral suctioning at least every eight hours and room-air mist or oxygen any part of the day;
ii. Tube feeding either continuous drip or bolus every shift
iii. Five days per week of inpatient physical, occupational, or speech therapy, singly or in combination, provided directly by or under the direct supervision of a licensed therapist.

2. Non-Medical Services - In addition to meeting the consumer's health care needs, the ICF/DD-CN is intended to provide developmental training, habilitative services and active treatment to facilitate decreased dependence on others in carrying out activities of daily living, prevention of regression, and amelioration of developmental delay.

D. Applicant and Current Pilot Provider Requirements - Currently there are six facilities participating in the Pilot Project. If additional facilities are added, they must submit applications, which are then reviewed by the PPC. This section lists the mandatory requirements for all participating providers and applicants.

1. Applications for Participation as an ICF/DD-CN Provider – All applications must include:

a. Documentation assuring that the provider meets all requirements for participation as specified in this document.
b. Agreement that all consumers residing in the facility will meet waiver requirements, for the duration of the Pilot Project. If, at any time during the period of the Pilot, a consumer no longer meets waiver requirements, the facility agrees to facilitate relocation of the consumer to appropriate alternate placement and to notify L&C as described in Title 22 CCR §73852.
c. Assurance that the provider will ensure that the health care and developmental needs of the consumers are met, and that all state and federal laws and regulations are followed.

d. Provider is responsible to assess, train and monitor nurses to assure they are skilled in providing care to this population.

2. Requirements for Facility Participation in the Pilot Project - All of the following requirements must be met prior to the applicant facility being selected for participation in the Pilot:

   a. Conditions for licensure as an ICF/DD-N. This requirement is necessary to ensure that the applicant can meet the basic statutory and regulatory requirements for providing services to the developmentally disabled consumer with nursing needs. At the time of application, the applicant facility may be in any of the following categories:
      i. ICF/DD-N that will be converted to an ICF/DD-CN.
      ii. Other licensed health facility that will be converted to an ICF/DD-CN.
      iii. An owner of an ICF/DD-N or other licensed health facility that wishes to open a new licensed facility for the purpose of waiver participation (for example, a corporation).
   b. The applicant facility must demonstrate historical ability to comply with state licensing and federal ICF/MR certification requirements as evidenced by:
      i. Compliance and competence in meeting applicable state licensing and federal certification requirements during the previous three years; or
      ii. If the applicant facility has been licensed for less than three years, the licensee (or corporation) must be able to demonstrate compliance and competence in meeting applicable state licensing and federal certification requirements at other health facilities operated by the licensee (or corporation) during the past three years.
   c. The applicant must demonstrate all of the following, as determined by a DHS Licensing and Certification survey:
      i. Physical Plant - All applicants/providers must:
         - Meet all requirements of the federal ICF/MR Conditions of Participation (COP), Physical Environment (42, CFR §483.470[a][1] through [k][2]).
         - Provide auxiliary lighting and power sources to operate all functions of the facility for a minimum of eight hours. The auxiliary system must be maintained in safe operating condition.

- Ensure that all portable equipment using 110-120 volt current is equipped with three wire grounded U.L. (Underwriters Laboratories) approved power cords and three-pronged cords.
- The facility must have:
    - Designated clean and dirty utility areas.
    - Wheelchair and portable medical equipment accessible hallways, doorways, entrances, and exits.
    - Comfortable usage of furnishings to promote ease of nursing care and to accommodate the use of assistive devices, including but not limited to, wheelchairs, walkers, and patient lifts, when needed.
    - No more than two clients per bedroom.
    - Adequate space to avoid using bedrooms as a through passageway to another room, bath, or toilet.

ii. Staffing - All applicants must be able to accommodate consumers with 24-hour skilled nursing needs. At a minimum, these include all of the following:

- Sufficient Registered Nurse (RN) and Licensed Vocational Nurse (LVN) staffing to allow a minimum of five hours per consumer per day of non-duplicated skilled nursing (RN and/or LVN) with a minimum of two hours of the five hours per consumer per day being non-duplicated RN staffing. All LVN staffing must be supervised by an RN who is available by telephone at all times.
- A minimum of one RN or one LVN awake and in the facility at all times.
- All staff rendering direct care must maintain currently required, unrevoked licenses and certifications and must receive on-going training specific to the Pilot population being served.

iii. Equipment and Supplies - The applicant must:

- Have a designated storage area that is adequate for needed medical equipment and supplies.
- Maintain a seven-day supply of all medical equipment and supplies necessary to meet client needs.
- Calibrate all gauging and measuring equipment on a regular basis, as specified by the manufacturer, and maintain records of the testing.
- Have a written manual pertaining to the use, care, cleaning, and maintenance of client care equipment and supplies, including but not limited to:
    - Enteral feeding pumps
    - Mechanical lifts
    - Ventilators and related equipment
    - Oxygen delivery systems
    - Positive airway pressure equipment
    - Suction machines
    - Electric beds
    - Electric chairs
    - Intravenous infusion pumps
    - Monitoring equipment
- Have sufficient medical gas storage to allow 24-hour per day ventilator operation for all consumers who are ventilator-dependent.
- Have a back-up ventilator for emergency use when there are ventilator-dependent consumers in the facility.

3. Denial of Provider Application - An application for participation as a Pilot Project provider may be denied if any one of the following conditions exist in the applicant facility:

    a. Inability to meet the same federal COP for the past three consecutive re-certification surveys.
    b. Condition level non-compliance with the federal COP for Health Care Services during the past 12 months.
    c. Existence of a time limited federal certification agreement of less than 12 months due to programmatic deficiencies.
    d. During the past 12 months, the applicant facility has received any Class AA, Class A, or Class B citations, as defined by California Health and Safety Code, §1424(d) and §1428(h) that pertain to patient care. The presence of

a Class B citation shall not, in itself, constitute the basis for denial. A Class B citation shall be evaluated for its impact on such areas as client care, client safety, fraud, and for indications of a pattern of noncompliance.

e. Any other condition or situation that indicates the applicant facility's inability to ensure the health and safety of its residents, as determined by the PPC.

4. Applicant Appeals – An applicant may request PPC reconsideration of the denial of their application to be a Pilot Project provider. This request shall be in writing.

5. Provider Reporting Requirements

   a. The provider shall maintain program cost reports associated with the operation of the ICF/DD-CN facility and shall be responsible for reporting all program income received for reimbursement of program services to MCPD on a quarterly basis.
   b. The provider shall maintain records and provide information such as Special Incident Reports, Complaints, and Grievances as determined by the PPC to be necessary for evaluation of the Pilot.

6. Waiver Provider Technical Assistance - DHS will provide technical assistance to providers as needs are identified or requested.

7. Termination of Facility Participation in the Pilot Project **-** A provider may be terminated from participation in the Pilot Project if any one of the following conditions is found to exist at the ICF/DD-CN facility:

   a. Failure to meet waiver requirements as specified in this document.
   b. Failure to maintain ongoing compliance with the licensing requirements of an ICF/DD-N or the federal COP.
   c. Any other condition or situation that indicates the ICF/DD-CN facility's inability to ensure the health and safety of its residents, as determined by L&C.

8. Facility Voluntary Termination of Services – A facility wishing to withdraw from the Pilot may do so as described in Title 22 CCR §73852.

IV. PROGRAM ADMINISTRATION / ACCESS TO CARE AND QUALITY OF SERVICE

A. The Department of Health Services – DHS is the single state agency charged with the administration of the Medi-Cal Program. The following describes the roles of the DHS entities that are involved in ensuring Pilot Project consumers are placed appropriately, receive the appropriate services based on their plan of care and are safe in the ICF/DD-CN setting:

1. Role of the Medi-Cal Policy Division – MCPD is responsible for the coordination and oversight of all ICF/DD-CN administrative activities which include:

   a. Serving as key liaison to CMS.
   b. The planning, organization, coordination and facilitation of the PPC meetings, including the preparation of agendas and minutes.
   c. Oversight of the review of Applications of Participation and final designation of facilities as waiver facilities.
   d. Maintenance of records associated with the Application of Participation.
   e. Oversight and maintenance of records of complaints and problems identified with individual facilities or consumers referred to the PPC, and their outcome.
   f. General oversight to ensure compliance with all federal and state laws and regulations, as well as waiver requirements.
   g. On-going liaison with Pilot facilities, regional centers, DDS and advocacy groups regarding the waiver.
   h. The preparation and submission of annual reports to CMS regarding quality of care, access to care, and cost neutrality of the waiver.
   i. The procurement, coordination and oversight of the Independent Assessment contractor.
   j. Oversight of payment services through the Electronic Data Systems (EDS) and preparation of post-payment data/reports by EDS. Working with the provider and Payment Systems Division (PSD) to resolve billing and payment issues.

2. Role of the Medi-Cal Operations Division – MCOD is assigned the responsibility of Medi-Cal utilization review via adjudication of TARs for waiver services provided in an ICF/DD-CN, as well as the implementation of the MCOD monitoring and oversight process. MCOD's monitoring activities include working collaboratively with

L&C, DDS, regional center representatives, and independently to assess the implementation of the Pilot Project in accordance with applicable state statutes as well as the waiver requirements (including cost neutrality of care, when considering new admissions into the CN facilities), to ensure the provision of appropriate and quality services to the consumer. MCOD responsibilities shall include:

a. Utilization review and adjudication of the TARs with consideration of the waiver's cost neutrality requirement.
b. Onsite monitoring reviews to assess the consumer's plan of care, ensure all care needs are met, and that the consumer is continuing to meet the CN level of care. The reviews should include documentation of consumer integration into the community such that their quality of life is improved.
c. Monitoring of facilities to ensure compliance with the participation agreement, as well as waiver requirements. Any potential L&C problem identified will be referred to L&C for investigation within two working days.
d. Reporting of findings to the PPC on an ongoing basis.
e. Referral of any fraud issues identified during monitoring reviews, to DHS Audits and Investigations.
f. Responsible for the issuance of "Notices of Action" as required by Title 22 §50179
g. Maintaining records associated with the authorization of services, including level of care determination, the plan of care, TARs and associated documentation, and monitoring reviews.

3. Role of the Licensing and Certification Program – L&C has the responsibility for the following:

a. The determination that those facilities newly participating in the Pilot meet the conditions for licensure as an ICF/DD-N at the time of application and on an on-going basis. Such determination ensures that basic plant and staffing requirements, as well as the facility's capacity to meet the consumer's medical, nursing and other needs, as delineated in the plan of care, are met.
b. Thereafter, on a quarterly basis, L&C representatives directly observe and evaluate the care and treatment provided to consumers, staff competency, and the quality of nursing oversight to ensure compliance with all regulations and statues. This includes an evaluation of the ICF/DD-CN's ability to maintain compliance with the licensing requirements of an ICF/DD-N as well as the

additional requirements identified in this document, the requirements as identified in the Pilot, and the federal COP requirements for an ICF/MR facility. L&C reviews the facility compliance with the COP on an annual basis, in the form of a "Fundamental Survey".

c. L&C designates staff to respond, as required, to reported events/complaints and to - investigate facility problems identified by any other entities. The timeframes are based on the severity of the complaint, as defined in the table below:

Problem Investigation Time Requirement	
Immediate and Serious	Not Immediate and Serious
A situation in which Pilot facility's practice has caused, or is likely to cause, serious injury, harm, impairment, or death to a client. <u>Within Two Working Days.</u>	Any concern, or alleged failure by the facility to comply with any Pilot waiver requirement. <u>Within Five Working Days.</u>

d. L&C's findings and recommendations are reported to the PPC. L&C shall retain the results of all investigations. Copies of all investigations will be made available as needed to any concerned parties as per L&C policy and procedure. Copies of all monitoring and survey reports shall be distributed as follows:

i. Original report to the coordinator of the Pilot Project at L&C headquarters.
ii. One copy retained in the facility file of the local L&C District Office.
iii. One copy for each identified member of the PPC.
iv. One copy to the facility
v. One copy to the identified regional center case manager

Requests for additional copies will be determined at the discretion of the L&C Pilot Project coordinator. Confidentiality of all documents will be maintained at all times

B. Role of the Department of Developmental Services – DDS Community Operations Division, Residential Services Branch and Regional Center Branch are responsible for providing leadership and direction to ensure that individuals with developmental disabilities have the following: the opportunity to make choices about their own lives, to be safe, to lead more independent,

productive and happy lives, and to receive appropriate health care. DDS is participating in the development and implementation of the ICF/DD-CN waiver and provides general oversight through the regional centers, which provide direct case management services. In addition, DDS has the following responsibilities:

1. Monitoring and oversight of the regional centers in relation to waiver services, including on-site regional center quarterly monitoring, and providing trend analysis of special incident reports to the PPC on a quarterly basis.

2. Communication of information and/or issues raised by the regional centers to appropriate DHS representatives, as well as coordination of information from DHS to the regional centers.

3. Participation in the ICF/DD-CN PPC in a consultative role.

4. Participation in waiver training and technical assistance to providers, consumers, regional centers, or other entities as necessary.

C. Role of the Regional Centers - The regional centers have the responsibility for the evaluation and certification of developmental disability and eligibility for special treatment programs (documented with completion of the Health Services HS 231 Form, Exhibit F). For the purpose of this Pilot, the regional centers will retain the responsibility for completing the HS 231 Form and current Individual Program Plan (IPP) nursing evaluation and assessment, and will provide the information to the waiver provider for submission with the TAR. In addition, regional centers will maintain all of their current responsibilities for:

1. Service provision to individuals with developmental disabilities.

2. Case management responsibilities as it does for residents of ICF/DD-N facilities. Such case management ensures appropriate placement, monitoring of the plan of care, and the receipt of appropriate services by the consumer. Regional centers will also maintain their authority and responsibility to relocate consumers should it appear they are at risk in the ICF/DD-CN or if such placement appears to be inappropriate at any time, for any reason.

3. Identification and prior referral to MCOD of consumers appropriate for placement.

4. Service delivery monitoring as required by W&I Code §4648.1(a).

5. Maintaining all records associated with developmentally disability certification, case management, and monitoring activities, including the plan of care.

D. Role of the Pilot Project Committee –The PPC is made up of staff from the following DHS areas: MCPD, MCOD, and L&C. Other DHS entities serving consulting roles are the Office of Legal Services, Medi-Cal Managed Care Division, Payments Systems Division and Audits and Investigation Division. A major participant in the PPC in a consultative role is the California Department of Developmental Services. Additionally outside agencies such as the Association of Regional Center Agencies contribute in a consulting role. While DHS retains the authority of the single state agency to make all final decisions, the PPC is responsible for providing a forum for adequate review to assure appropriate decisions. The PPC convenes monthly or as necessary for various monitoring and oversight activities which include but are not limited to the following:

1. The review and deliberation on any new provider applications

2. The review and deliberation on the imposition of adverse actions, such as termination of pilot facility status.

3. The review of L&C/MCOD findings

4. The review of Special Incident Reports, Complaints, and Grievances.

E. Health and Safety Issues – Safeguards have been put into place to protect the health and safety of the consumers receiving waiver services, as well as to ensure the adequacy and appropriateness of services provided. Specifically, such safeguards include consideration of:

1. Facility compliance with licensing requirements for an ICF/DD-N, as well as compliance with all waiver requirements.

2. Appropriate placement of the consumer.

3. Development of an appropriate plan of care.

4. Provision of timely and appropriate services as delineated on the plan of care (both preventative and treatment services).

5. Evaluation and re-evaluation of the consumer at appropriate intervals.

6. Appropriate staffing resources in the ICF/DD-CN facility to ensure both ongoing care, and care required during periods of increased need and in emergencies.

7. Appropriate equipment (including back-up equipment and supplies) to ensure ongoing care, as well as care required during periods of increased need and in emergencies.

8. Sufficient facility resources to maintain the facility in a safe and workable condition on a daily basis as well as provisions for caring for the consumers in times of crisis or emergency.

9. Assurance that applicable federal and state laws and regulations will be adhered to.

F. Complaints, Grievances, Appeals and Fair Hearings

1. Complaints and Grievances – Complaints and grievances may be investigated by the person or entity receiving them, or they may be referred to the PPC for assistance. Reported complaints and grievances, including action, if any, shall be reported to the PPC. Such complaints and grievances shall be logged by the appropriate party and reviewed periodically for progress in resolution.

2. Appeals – Appeals are defined as one of the following:

   a. A request by an applicant facility to reconsider the decision to deny the application to be a waiver provider. This type of appeal shall be referred to the PPC for consideration.
   b. A request by a waiver provider to reconsider a denial of all or part of a TAR for reimbursement for ICF/DD-CN services. This type of appeal shall follow the established appeal process as specified in Title 22, CCR §51003(g).

3. Fair Hearings – Fair hearings are defined as a request by the Medi-Cal beneficiary to reconsider a denial of all or part of a TAR for ICF/DD-CN services. Fair hearings shall follow the established process, as specified in Title 22, CCR §51014.1 and §51014.2, including notification. W & I Code §4710 through §4716, and Title 17, CCR §52172 through §52174, as appropriate, shall be utilized when a fair hearing is requested due to issues other than the denial of a TAR.

G. Results of Quality Monitoring Survey – In February 2003, targeted satisfaction surveys were sent to individual consumers' representatives, their medical providers, regional center case managers and facility administrators. (See Exhibit G_1, G_2, G_3 and G_4). Although the survey results were overwhelmingly positive in most cases, the providers particularly expressed concerns in two areas: the enhanced monitoring of the facilities and the lack of a mechanism during the monitoring/surveying process for general care questions. These comments have been taken into consideration in making changes for the waiver renewal period.

H. Reimbursement Process - Upon selection as a waiver provider, the ICF/DD-CN facility will be enrolled in the Medi-Cal program and issued a provider identification number to allow billing for services. The process by which a waiver provider requests authorization for reimbursement of ICF/DD-CN services consists of all of the following:

1. Submission of a completed TAR to MCOD at the following address (directions for completion of the TAR may be found in the Medi-Cal provider manual):

   Department of Health Services
   Medi-Cal Operations Division
   ICF/DD-CN Waiver Project
   700 N. Tenth Street, Suite 134
   Sacramento, CA 95814

2. The TAR shall be accompanied by all of the following information:

   a. Completed HS 231 Form that states that the consumer meets the ICF/DD-CN level of care.
   b. A current regional center nursing assessment identifying the need for 24-hour skilled nursing, monitoring, and intervention.
      i. For the initial TAR request a current facility RN pre-admission assessment identifying the continuous skilled nursing care needs.
      ii. For reauthorization requests, a current monthly RN assessment.
   c. Current MD orders.
   d. Any other medical documents to support the level of care for CN services as requested by MCOD.

3. Each approved TAR for ICF/DD-CN services will be for a period not to exceed 180 days.

4. If all or part of the request for authorization is denied, both the provider and the consumer have appeal rights. These rights are established under Title 22 CCR §51003(g).

5. Waiver services shall be denied/terminated for individual consumers when one or more of the following occurs:

    a. The consumer loses Medi-Cal eligibility.
    b. The consumer becomes enrolled in a managed care plan.
    c. The consumer is under the age of 21, becomes enrolled in a managed care plan and is California Children's Services (CCS) eligible.
    d. The consumer or his/her legal representative elects, in writing, to terminate services.
    e. The consumer wishes to move from the geographical area within which the waiver services are available or wishes to move into another area where there are either no Pilot providers, or no available beds at a waiver facility.
    f. The consumer's condition changes such that he/she no longer meets waiver requirements for ICF/DD-CN services.
    g. The facility is terminated as a waiver provider and alternate waiver providers are not available.
    h. The consumer is no longer enrolled in the regional center.
    i. The facility is unable to meet the consumer's needs placing the consumer's health and welfare at risk.
    j. The consumer's care no longer meets the cost neutrality requirement of the waiver.

6. In the event any of the conditions outlined in Number 5 above exist, the consumer and/or his/her legal representative will be informed by the regional center of the available placement options/services appropriate to the consumer's level of care, medical, and other needs. The regional center retains the responsibility for identification of, and arrangements for, alternate placement/services.

V. COST EFFECTIVENESS

The ICF/DD-CN facility is intended to provide an alternative, cost effective health care option to those individuals who would benefit from the smaller community based environment but require the availability of 24-hour nursing care. This option is intended to be a bridge between the lower level of care existing in home-based options or ICF/DD-Ns and the higher, and more costly, level of care provided in the large developmental centers and subacute facilities. Some consumers may arrive from a lower cost base when their health deteriorates beyond the ICF/DD-N level of care or their "in-home" caregivers are no longer able to provide for them.

Placement in the ICF/DD-CN level of care would alleviate the consumer from being admitted into higher cost centers such as developmental centers and subacute facilities.

Table A: Original Assumptions - In the original waiver request, financial assumptions were made by DHS staff based on consumer referrals representative of several facility types. The rates of referral from these facility types were assumed based on interviews with stakeholders and potential providers as well as interviews with representatives from the developmental centers and regional centers. There was no guarantee that the Pilot would obtain consumers from these cost centers. In addition, in calculating the original assumptions, ancillary costs were not included in determining prior facility daily rate or cost factors for the Pilot. Table A shows that the original assumptions were based on two base rates. One base rate was for ventilator dependent consumers ($387.50) and another base rate was used for consumers who were not ventilator dependent ($357.03).

Table B: Current Enrollment (2002) - This table represents current enrollment and is a comparison of the average cost per day (C/D) using paid claims data for beneficiaries for the base year 2001 (date of service) prior to their enrollment in the Pilot Project to the average C/D of these same beneficiaries after enrollment in the Pilot.

Table B reflects a per member/per month (PM/PM) comparison of 25 beneficiaries:

Year 2001 Base	Year Enrolled
$15,356.46 PM/PM	$11,395.60 PM/PM

Table C: First Year Renewal Assumptions (2003) - This table represents assumptions for the first year of waiver renewal and is developed from data reflected in Table B. Assumptions are based on all six facilities being filled, i.e. 36 beneficiaries. Assumptions made regarding the prior cost centers for the 11 additional beneficiaries (six from DCs, four from adult subacute [ASA] and one from pediatric subacute [PSA]) are based on interviews with Pilot providers, regional centers and DDS. *There is no guarantee that the Pilot Project will obtain beneficiaries from these cost centers*.

Table C reflects a per member/per month (PM/PM) comparison based on 36 beneficiaries:

Year 2001 Base	Year Enrolled
$15,108.87 PM/PM	$13,138.78 PM/PM

Table D: Second Year Renewal Assumptions (2004) - This table represents the second year of the waiver renewal and is based on Tables B and C, and assumes opening four additional six-bed facilities (three adult and one pediatric). The

assumptions for the additional 24 beneficiaries (seven from DCs, three from ASAs, three from PSAs, eight from ICF/DD-Ns, one from acute, and two from SNFs) cause a slight change in percentages due to the addition of the one pediatric facility. *There is no guarantee that the Pilot Project will obtain these beneficiaries from these cost centers*.

Table D reflects a per member/per month (PM/PM) comparison based on 60 beneficiaries:

Year 2001 Base	Year Enrolled
$14,543.73 PM/PM	$13,385.46 PM/PM